

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-06 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-01

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 L-02 SS-15 NSC-05

/075 W

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R 211740Z MAR 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 0179

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY OSLO

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

C O N F I D E N T I A L ROME 4179

E.O. 11652: GDS

TAGS: EFIN IT

SUBJECT: ITALIAN COMMENT ON SWISS FRANC PARTICIPATION  
IN EC SNAKE

PASS TREASURY AND FRB

1. IN CONVERSATION ON MARCH 21, DIRECTOR GENERAL OF  
ITALIAN TREASURY PALUMBO TOLD TREASATT THAT PARTICIPATION  
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OF SWISS FRANC IN EC MINI-SNAKE COULD ONLY RESULT IN

DELAYING TIME WHEN OTHER EC CURRENCIES SUCH AS LIRA  
POUND, AND FRENCH FRANC WOULD BE ABLE TO REJOIN SNAKE.  
PALUMBO REPEATED WELL-KNOWN ITALIAN BELIEF THAT  
"MONETARIST APPROACH" TO EUROPEAN MONETARY INTEGRATION  
THROUGH TIGHT LINKING OF EC EXCHANGE RATES WAS UNREALISTIC  
FROM THE BEGINNING IN ABSENCE OF PARALLEL INTEGRATION OF  
ECONOMIC POLICIES. IF SWISS FRANC WERE TO JOIN MINI-  
SNAKE, THIS WOULD SINPLY ADD TO PROBLEM OF STRONG CURRENCIES  
DRAGGING OTHER CURRENCIES WITH THEM, THUS JEOPARDIZING  
BALANCE OF PAYMENTS EQUILIBRIUM.

2. PALUMBO SAID THAT HE DID NOT FORESEE RETURN OF LIRA  
TO SNAKE WITHIN NEAR FUTURE. HE THOUGHT THAT UK  
AUTHORITIES WERE PROBABLY OF SIMILAR OPINION. FRENCH,  
ON THE OTHER HAND, MIGHT RETURN TO SNAKE SOONER FOR  
POLITICAL REASONS, BUT THIS COULD WELL RESULT IN FRANC  
GETTING INTO TROUBLE ONCE AGAIN. VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEMBERSHIP, FINANCIAL STABILITY, FOREIGN EXCHANGE RATES, NEGOTIATIONS, RELATIONS WITH REGIONAL ORGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975ROME04179  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750100-0613  
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**Office:** ACTION EUR  
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**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 APR 2003 by ShawDG>; APPROVED <14 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ITALIAN COMMENT ON SWISS FRANC PARTICIPATION IN EC SNAKE  
**TAGS:** EFIN, IT, SZ, EEC, MINI-SNAKE COUNTRIES  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006